

VZCZCXRO4476
PP RUEHBC RUEHDE RUEHDH RUEHDIR RUEHKUK RUEHTRO
DE RUEHAD #1063 3141327
ZNY CCCCC ZZH
P 101327Z NOV 09
FM AMEMBASSY ABU DHABI
TO RUEHC/SECSTATE WASHDC PRIORITY 3078
INFO RUEKJCS/SECDEF WASHINGTON DC
RUEHZM/GULF COOPERATION COUNCIL COLLECTIVE
RHMFISS/HQ USCENTCOM MACDILL AFB FL
RUCNIRA/IRAN COLLECTIVE

C O N F I D E N T I A L ABU DHABI 001063

NOFORN
SIPDIS

E.O. 12958: DECL: 11/10/2019

TAGS: [PREL](#) [PGOV](#) [AE](#) [IR](#)

SUBJECT: IRAN: PROMINENT IRANIAN BUSINESSMAN SUPPORTS CRIPPLING
SANCTIONS

Classified by Ambassador Richard Olson, reasons 1.4 (b) and (d).

¶1. (C) Summary: A prominent Iranian businessman with connections to the regime sought out Ambassador to urge the adoption of crippling sanctions on Iran, even though they would negatively impact his own business position. End Summary.

¶2. (C) Ambassador met on 7 November with Farhad Farjam (protect throughout), a billionaire Iranian businessman who divides his time between London, Dubai, Abu Dhabi, and Tehran. (He had been in Tehran as recently as the previous week.)

¶3. (C) After pleasantries, Farjam (who has hitherto be reticent about discussing politics with the Ambassador) removed the batteries from his mobile phone and blackberry and initiated a discussion of the Iranian nuclear issue, saying that in his opinion the regime was simply playing for time and had no intention of making any meaningful concessions to the Obama administration. He said the domestic political situation in Iran was "complex." In response to a series of eliciting questions from Ambassador, he offered the following:

-- Khamenei made a great mistake by putting his weight behind Ahmadinejad. Ahmadinejad has now consolidated power through the IRGC (Sepah). What is happening now is that the IRGC is extending its economic power by taking over companies, within 5 to 10 years ("closer to 5") the IRGC will entirely dominate the economy and the military will run the country "like Pakistan."

-- Farjam said that Ahmadinejad's stealing of the election was really about the economic interests of the IRGC. He said that Khamenei supported Ahmadinejad for his own economic interests, but also because of ideological affinity. In response to Ambassador's question about rape of prisoners, Farjam told a story about a young man who was an acquaintance of the Supreme Leader, but had nonetheless been imprisoned and raped. The young man went to Khamenei after the ordeal and Khamenei wept at his story. "Two years ago, he would not have wept, he would have buried those who did it." -- The Opposition has rallied behind Mousavi out of desperation, Mousavi is clearly "a fanatic" and an IRI insider. That said, the rule of the clerics is effectively over. Karroubi is effectively now the voice of Qom, as the clerics realize that they have lost political and economic power to the IRGC, Baseej, and to some extent the Bonyads.

-- In response to Ambassador's question about status of Rafsanjani, Farjam said he had arranged to call on him for iftar during a Ramadhan visit to Tehran (his channel was Rafsanjani's daughter Fatima). He went to the iftar and found the atmosphere very tense. All who attended were not only depressed about the political situation, but clearly concerned that they could be arrested momentarily. He implied that this included Rafsanjani.

-- In terms of his own business in Iran, Farjam said "at least we knew the mullahs and how they thought," implying that the same could not be said for an IRGC dominated regime. (Comment: Farjam is fully secular. He recently held a wedding celebration for his daughter at Cap D'Antibes that featured a private performance by the Gypsy Kings, and flowing Champagne. Yet it is also clear that he has had an accommodation with the IRI, which he now sees as coming to end with

the rise of the Sepah.)

¶4. (C/NF) Coming to his main point, Farhad said it was time for stronger sanctions on Iran. Without them, the west would get nowhere. "They need to feel the pinch." When Ambassador asked for specifics Farjam replied:

- Turn off the "SWIFT" switch in Lebanon. This would instantly trigger the collapse of the Riyal.
- Institute a complete oil embargo, although not by military means.
- When Ambassador asked about sanctions on refined products, he said, "yes" without hesitation.
- He thought a travel ban on leaders might be effective.
- When asked how these sanctions could be accomplished without triggering a nationalistic reaction, he said any such actions would have to be accompanied by a "sophisticated propaganda campaign" to the Iranian people. He mentioned that the BBC Persian service is widely respected in Iran. He also mentioned VOA as a possibility.
- Farjam noted that such crippling sanctions would affect his business interests negatively, but still needed to be done in his opinion.

¶5. (C) Comment: we pass this on as the views of one individual, albeit a well plugged in and influential one.

OLSON